GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1607
ANSWERED ON:02.12.2005
PROFIT OF BANKS
Barman Shri Hiten;Sugavanam Shri E.G.

Will the Minister of FINANCE be pleased to state:

(a) the total amount of profits earned by public sector banks in the country during the last three years, till-date in comparison to foreign banks, bank-wise / year-wise;

(b) whether the Indian Banks are competing with the foreign banks in granting loans to the Industrial sector, and specially the small scale sector;

(c) if so, the details thereof; and

(d) the effective measures being taken or are proposed to be taken in this direction?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANMANICKAM)

(a) The details of profits earned by public sector banks and foreign banks during the last three years are as under:-

(Rs. in crore)

	2002-03	2003-04	2004-05
Public Sector Banks	12295	16,546	15,785
Foreign Banks	1,824	2,243	2,002

(b) & (c) As on 31.03.2005, the credit extended by the Indian banks and foreign banks to SSI sector are Rs.76,088 crore and Rs. 2,788 crore respectively.

(d) The Government has stipulated that amount financed to SSI sector would be treated as priority sector lending. The targets prescribed and achieved under priority sector are being closely monitored at various levels by banks, RBI and the Government. Further, with a view to step up credit to Small and Medium Enterprises (SMEs), a policy package was announced in the Parliament on 10th August, 2005. The banks have been advised to take various measures to step up credit to SMEs. The Reserve Bank of India has also constituted empowered committees at its regional offices to review the progress in SME financing so as to ensure smooth flow of credit to these sectors.